



**STATE OF WASHINGTON
DEPARTMENT OF LICENSING
PO Box 9020, Olympia, Washington 98507-9020
REAL ESTATE COMMISSION
MEETING MINUTES**

DATE September 22, 2009

PLACE: The Wenatchee Convention Center Coast Hotel
201 North Wenatchee Avenue
Wenatchee, WA 98801
(509) 662-4411

CONTACT

PERSON: Jerry McDonald, Acting Administrator
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CALL TO ORDER: Ralph Osgood, Assistant Director/Chair 9:00 a.m.

ORDER OF AGENDA: OPEN SESSION

MEMBERS PRESENT

Ralph Osgood, Assistant Director/Chair
Paul Chiles, Commissioner/Vice Chair
Jeff Thompson, Commissioner
George Pilant, Commissioner
Cate Moye', Commissioner
Dan Murphy, Commissioner

STAFF PRESENT

Jerry McDonald, Acting Administrator

CALL TO ORDER

Ralph Osgood called the meeting to order.

A. Approval of Agenda

Ralph Osgood noted the double sided agenda did not get copied and that there were items not listed on the commissioner's handout.

L. Update on Vendor Exams – (RFP process)

M. Outreach efforts

N. Commissioner Forum

O. Open Forum for public comment

Agenda was approved with the additional items added

B. Roll Call

All Commissioners present

C. Approval of Minutes for June 11, 2009 Commission Meeting

Approval of the minutes

Minutes were approved as written

D. Budget Report

Ralph Osgood gave the budget report. Ralph Osgood asked the commissioners if they would like the budget report in a different format. Ralph Osgood explained the three accounts; commission, education, and research

- a. Commissioner Pilant asked Ralph Osgood if the department had heard anything about the legislature sweeping fund balance. Chair Osgood stated we have not at this time.
- b. Glenn Crellin inquired why the May and June numbers were so low. Jerry McDonald agreed to follow-up regarding this issue.
- c. Glenn Crellin asked for licensing stats is included in the future. Jerry McDonald indicated that there was an 8% drop in total licensees from August 2008 to August 2009.

E. “Social Networking” Discussion

Jerry McDonald stated that at the last commission meeting, staff was given the assignment to research “social Networking” thru ARELLO. Jerry McDonald found that ARELLO currently has no information on the subject but will be holding some forums at the Miami ARELLO meeting in October.

Ralph Osgood spoke of the governor’s office holding informational meetings for public affairs officers and how state agencies can use this new networking opportunity. Commissioner Moye requested we use this media for outreach for the new licensing law. Commissioner Moye expressed concern regarding the use of social media in relationship to our new WAC rules address advertising. Commissioner Murphy followed up by stating there was a lot of misinformation that goes out on the social media sites. Further discussion amongst the commissioners and audience related to the social network issues.

G. Education

- Licensee Safety – Not a Topic under WAC 308-124H-025
Jerry McDonald asked the commission for direction on course submissions regarding licensee safety. Mr. McDonald explained that safety is now considered under the topic area current trends. Jerry McDonald explained that it is been approved under current trends for over 5 years, thus no longer relevant to the current trend topic area. Commissioner Moye’ stated that she felt the relationship to the practice of real estate was very important. Commissioner Chiles indicated that by creating a topic for licensee safety could open the door for requests that the commission would not approve of. Bob Mitchell thought it would be appropriate in Sales and Marketing. All commissioners were in agreement that the topic area would be Sales and marketing and that no new topic area for licensee safety is needed.
- Course Approval – Completed the last three course curriculums: Real Estate Brokerage Management – 30 clock hours, Core (Current Issues in Washington Real Estate) for 2010-2011, and the Transition Course for the new 18.85. Paul Chiles was questioned about the possibility of a “Commercial Core”. Commissioner Chiles explained that the there was no need for a commercial core for this new 2 year period.

Bob Mitchell spoke about the Core course being overly ambitious in the amount of content. Commission passed motion to approve all three courses.

H. Rules

Jerry McDonald reviewed several of the changes recommended by staff. After long discussion and review of rules it was agreed to send this back to the Changing Business Practices for their review and recommendation.

I. WCRER Update – Glenn Crellin

- Mr. Crellin updated the commission on the real estate program at WSU. Fundraising for the endowed chair has been put on hold due to the current economic situation.
- Mr. Crellin discussed the “Cougar real estate network – and creating a “link-in” group which will include commissioners.
- Mr. Crellin also discussed the reformatting of WCRER’s report, “Washington State Housing Market” and making it a monthly report in 2011. He also stated that real estate licensees, legislators and key members of legislative staff will be able to receive a complimentary subscription.
- Mr. Crellin also discussed a brief on-line survey, which will be asking licensees about the 8K federal rebate, short sales, Home valuation code of conduct (HVCC) and REO transactions.
- Mr. Crellin also stated he would be doing some forecasting of the real estate licensee base for DOL.
- The next meeting for the Board of Directors for the Washington Center for Real Estate Research will be at 2:00 this afternoon. Mr. Crellin stated he needed a new representative from the commission to WCRER Board of Directors. Commissioner Thompson agreed to serve as the commission’s representative.
- Mr. Crellin also asked the commissioners to review his four proposals for additional research work that would be over and above the basic contract with DOL. The four proposals are
 - a. (1) Update Home buying and Selling Survey,
 - b. (2) Consumer Focus Groups,
 - c. (3) Monitoring Continuing Education, and
 - d. (4) Continuing education data system.
- Glenn Crellin indicated that he could get the Home buying and selling survey started after the 1st of the year. The commission approved a motion to recommend to the director to spend \$32,500 from the education fund for the “Update Home Buying and Selling Survey”.

J. Newsletter Update

Mr. Crellin stated that he was working on the fall issue of the newsletter. Jerry McDonald stated that a member of the Home Inspector Board would write an article on home inspections as it relates to real estate licensees. Commissioner Moye agreed to write an article on short sales. Commissioners suggested that the newsletter after next have a supplement or additional pages for licensing law changes.

K. Update from Washington Association of Realtors

- Workgroup for Condo Association
Bob Mitchell spoke about the work group from the Washington State Bar Association doing a comprehensive review and rewrite of the Washington Homeowner Act, Washington Condominium Act, and other common owner interest associations. The goal is to introduce this as a bill in the 2011 legislative session.

- Bob Mitchell thanked the commission for including the industrial insurance information in the Brokerage management and Core course curriculums. Washington Realtors has put together a workgroup Consumer and Business Affairs regarding 3 areas:
 - (1) Realtor outreach for education,
 - (2) Hourly rate premium formulas for L & I insurance and study the base minimum salary levels for licensees in which L & I uses for salary replacement, and
 - (3) Realtors asking the Supreme Court to reconsider the Washington Court of Appeals decision on Jackowski vs. Coldwell Banker Hawkins-Poe.
- On the 3rd item, Bob Mitchell expressed concern that this standing decision would change 18.86 standards and bring licensees under the common law standard of fiduciary duties.

L. Updates

Jerry McDonald reported that a Request for Proposal (RFP) was issued and that AMP - Applied Management Professionals has been selected as the apparent winner for the new exam provider. Mr. McDonald will follow-up with more updates. Mr. McDonald also briefed the commission on the department's outreach efforts.

M. Commissioners Forum

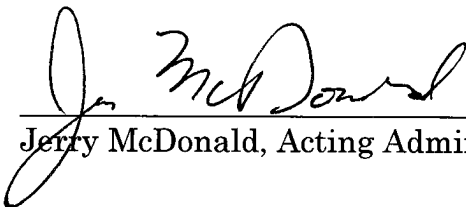
- Commissioner Murphy asked about the chances of going to ARELLO in Miami. Ralph Osgood explained the travel restrictions placed upon the department.
- Commissioner Thompson discussed an issue with a seller who had contracted to sell, but the lender came back with a loan modification to the seller. The consequence of this was the buyer has expended money and time only to have the transaction fail.

N. Open Forum

Ralph Osgood asked for any other comments and hearing none, the meeting was adjourned

O. Adjourn

Respectfully Submitted,



Jerry McDonald, Acting Administrator